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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

CIA/OER/S-06348-74

23 July 1974

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MEMORANDUM FOR: Mr. Stephen Bosworth
Acting Director, Office of Fuels
and Energy
State Department

SUBJECT :X Statistics on the Integrated
Emergency Program (OILSHARING)

1. Attached are the tables you requested on:
 - Oil sharing under the Integrated Emergency Program (IEP);
 - Percentages of normal imports and consumption that the IEP would have allowed in 1973; and
 - Days that emergency oil stocks would have lasted during crises in 1973.
2. We would be pleased to provide any further analyses you may require.

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Attachment: asa

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Oil Sharing Under the Integrated Emergency Package (IEP)

Embargo Loss is Compensated by:

Embargo Loss

CASE 1: No member country loses more than 5% of its oil consumption.

CASE 2: At least one member loses more than 5% of its oil consumption, but the members jointly lose less than 7% of their consumption.

CASE 3: The group loses between 7% and 14% of its normal consumption.

CASE 4: The group loses more than 14% of its normal consumption.

Demand Restraints

The IEP requires no member to restrain its oil demand.

Each member absorbs its embargo loss--up to 5% of its normal oil consumption--through either demand restraints or stock withdrawals.

Each member restrains its oil demand by 7%.

Each member restrains its oil demand by 10%.

Oil Sharing

The IEP requires no oil sharing.

After each member absorbs its embargo loss up to 5% of its normal consumption, the remaining shortfall is shared on the basis of imports. The US in 1974 would absorb 23% of the remaining shortfall. Western Europe would absorb 56%, and Japan 21%.

The shortfall remaining after demand restraints is shared on the basis of imports. The US in 1974 would absorb 23% of the remaining shortfall. Western Europe would absorb 56%, and Japan 21%.

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Percentages of Normal Imports and Consumption^{1/}
That the IEP Would Have Allowed in 1973

<u>Embargoes</u>	<u>United States</u>		<u>Western Europe</u>		<u>Japan</u>	
	<u>Consumption</u>	<u>Imports</u>	<u>Consumption</u>	<u>Imports</u>	<u>Consumption</u>	<u>Imports</u>
100% OPEC	66	0	21	19	19	19
100% OPEC minus Iran	71	16	37	35	35	35
100% OAPEC	77	32	53	51	51	51
50% OPEC	80	43	63	62	62	62
100% OAPEC minus Saudi Arabia	84	53	73	72	73	73
50% OAPEC	86	59	78	78	78	78
25% OAPEC	92	76	90	90	90	90
100% OAPEC against the US	94	83	98	98	98	98

1. We define allowed consumption as the sum of domestic production and allowed imports. An IEP member would draw on his emergency oil stocks to supplement his allowed consumption.

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Oil Consumption the IEP Would Allow,
Excluding Stock Withdrawals, During Embargoes in 1973

<u>Percentage Cut in Normal Group Imports</u>	<u>Percentage of Normal Consumption Excluding Stock Withdrawals 1/</u>		
	<u>United States</u>	<u>Western Europe</u>	<u>Japan</u>
2.5	96	100	100
5	94	98	98
10	93	93	93
20	90	84	83
40	81	65	65
80	68	27	25
100	61	7	5

1. We define allowed consumption as the sum of domestic production and allowed imports. An IEP member would draw on his emergency oil stocks to supplement his allowed consumption.

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Days that US Emergency Oil Stocks Equal to Sixty Days of
Normal Imports Would Have Lasted During Embargoes in 1973

Days that US Stocks Would Have Lasted, Had the US
Attempted to Maintain Its Oil Consumption at:

<u>Embargoes</u>	<u>90% of Normal</u>	<u>93% of Normal</u>	<u>100% of Normal</u>
100% OPEC	84	75	60
100% OPEC minus Iran	109	94	71
100% OAPEC	156	127	88
50% CPEC	213	162	104
100% OAPEC minus Saudi Arabia	344	229	128
50% OAPEC	502	289	145
25% OAPEC	∞	1973	254
100% OAPEC against the US	∞	∞	352

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Days that Western European Emergency Oil Stocks Equal to Sixty Days of Normal Imports Would Have Lasted During Embargoes in 1973

Days that Western European Stocks Would Have Lasted, Had Western Europe Attempted to Maintain Its Oil Consumption at:

<u>Embargoes</u>	<u>90% of Normal</u>	<u>93% of Normal</u>	<u>100% of Normal</u>
100% OPEC	84	81	74
100% OPEC minus Iran	109	104	92
100% OAPEC	156	144	123
50% OPEC	213	192	156
100% OAPEC minus Saudi Arabia	344	292	216
50% OAPEC	502	399	270
25% OAPEC	∞	1973	585
100% OAPEC against the US	∞	∞	2521

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Days That Japanese Emergency Oil Stocks Equal to Sixty Days of
Normal Imports Would Have Lasted During Embargoes in 1973

days that Japanese Stocks Would Have Lasted, Had Japan
Attempted to Maintain Its Oil Consumption at:

<u>Embargoes</u>	<u>90% of Normal</u>	<u>93% of Normal</u>	<u>100% of Normal</u>
100% OPEC	84	81	74
100% OPEC minus Iran	109	104	93
100% OAPEC	156	144	124
50% OPEC	213	193	157
100% OAPEC minus Saudi Arabia	344	293	219
50% OAPEC	502	401	273
25% OAPEC	∞	1973	598
100% OAPEC against the US	∞	∞	2521

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